



Entered on Docket
November 14, 2006

Hon. Linda B. Riegle
United States Bankruptcy Judge

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

Case No. BK-S-06-10725 LBR
Case No. BK-S-06-10726 LBR
Case No. BK-S-06-10727 LBR
Case No. BK-S-06-10728 LBR
Case No. BK-S-06-10729 LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,
Debtor.

Chapter 11

In re:
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
Debtor.

Jointly Administered Under
Case No. BK-S-06-10725 LBR

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC,
Debtor.

In re:
USA SECURITIES, LLC,
Debtor.

Affects:
☒ All Debtors
☐ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC

**ORDER APPROVING FIRST
APPLICATION OF RAY QUINNEY &
NEBEKER P.C. FOR INTERIM
COMPENSATION AND
REIMBURSEMENT PURSUANT TO
11 U.S.C. §§330 AND 331 FOR THE
PERIOD APRIL 13, 2006 THROUGH
AUGUST 31, 2006**

1 This matter came before the Court upon the First Application of Ray Quinney & Nebeker
 2 P.C. for Interim Compensation and Reimbursement Pursuant to 11 U.S.C. §§ 330 and 331 for the
 3 Period April 13, 2005 through August 31, 2006 (the "RQN Application"). The Court finds that
 4 notice has been properly given to creditors and parties in interest and that objections have been
 5 resolved or overruled consistent with the provisions of this Order. The Court being otherwise
 6 apprised in this matter, it is hereby:

7 **ORDERED** that interim compensation and reimbursement is hereby approved and
 8 awarded to Ray Quinney & Nebeker P.C. ("Ray Quinney") in the total amount of \$999,825.51
 9 which includes \$937,187.54 for professional services rendered and \$62,637.97 for expenses
 10 incurred during the Application Period;

11 **ORDERED** that the United States Trustee's informal objection to Ray Quinney's fees for
 12 "Clerical Issues," "Lumping," and "Research," and the United States Trustee's informal objection
 13 to Ray Quinney's expenses for "Paralegal Services," "Legal Research," "Business Meals," and
 14 "Travel Expenses" (as those terms are used in the United States Trustee's objection) are hereby
 15 overruled;

16 **ORDERED** that Ray Quinney and the United States Trustee shall within 60 days after
 17 entry of this order, meet and confer to attempt to resolve the Trustee's informal fee objection
 18 regarding "Internal Conferences." After conferring, if the United States Trustee believes a
 19 continuing "Internal Conferences" objection is warranted, the Trustee shall file that objection with
 20 the Court and notice it for hearing in accordance with the procedures in place in this matter. To
 21 the extent any portion of the United States Trustee's objection is upheld by the Court, any
 22 reduction in fees may be offset against future fees awarded to Ray Quinney. The obligation to
 23 meet and confer to attempt to resolve the Trustee's informal "Internal Conferences" objection is
 24 not a condition precedent to the interim award of Ray Quinney's fees and costs as set forth above;

25 **ORDERED** that the award of compensation and reimbursement approved and awarded to
 26 Ray Quinney in the total amount of \$999,825.51, which includes \$937,187.54 for professional
 27 services rendered and \$62,637.97 for expenses incurred during the Application Period shall be
 28 allocated, in full settlement of the objection filed by the USA Commercial Mortgage Company

(“USACM”) Unsecured Creditors Committee (“UCC”), among the Debtors’ estates as follows on a temporary basis, subject to objections to the allocated amounts that may be filed by the First Trust Deed Fund (“FTDF”) Committee and Diversified Trust Deed Fund (“DTDF”) Committee prior to the deadline for objections to final fee allowance or such other date as may be agreed by the signatories hereto:

	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
USACM	\$753,395.85	\$50,354.05	\$803,749.90
First Trust Deed Fund	\$87,763.12	\$5,865.75	\$93,628.87
Diversified Trust Deed Fund	\$92,139.84	\$6,158.27	\$98,298.11
USA Capital Realty Advisors	\$1,944.36	\$129.95	\$2,074.31
USA Securities	\$1,944.37	\$129.95	\$2,074.32
Total	<u>\$937,187.54</u>	<u>\$62,637.97</u>	<u>\$999,825.51</u>

The portion of fees (\$44,621.49) and costs (\$2,982.33) that Ray Quinney asserts is allocable to services directly related to the Official Committee of Holders of Executory Contract Rights Through USA Commercial Mortgage Company (the “Direct Lenders Committee”), and other amounts as asserted by the UCC to be services directly related to constituents of the Direct Lenders Committee (“Direct Lenders”), shall be paid out of the USACM estate with a full reservation of rights by USACM and the UCC to seek recovery of these fees and costs from another source, including the funds otherwise payable to Direct Lenders;

ORDERED that the above amounts are hereby allowed as priority administrative expenses pursuant to 11 U.S.C. §§ 503(b)(2) and 507(a)(1) in the respective bankruptcy estate to which they have been allocated, subject to the provisions of this order; and

ORDERED that the Debtors are hereby ordered and authorized, pursuant to 11 U.S.C. §§ 330 and 331, to pay the above amounts from the respective estate to Ray Quinney as set forth herein, provided that:

- (1) Ray Quinney shall be paid the amount it initially allocated to the FTDF estate in its fee application, *i.e.*, \$34,409.39, from the FTDF estate; and
- (2) the additional amount allocated to the FTDF estate under the UCC settlement, *i.e.*, \$59,219.48, shall be paid initially by the USACM estate, pending resolution of

1 In accordance with LR 9021, counsel submitting this document certifies as follows (check one):

2 ___ The court has waived the requirement of approval under LR 9021.

3 ___ No parties appeared or filed written objections, and submitting counsel represents the
4 Trustee.

5 X I have delivered a copy of this proposed order to all counsel who appeared at the
6 hearing, any unrepresented parties who appeared at the hearing, and any trustee appointed in this
case, and each has approved or disapproved the order, or failed to respond, as indicated below:

7 **Failed to respond:**
8 *Office of U.S. Trustee*
9 *Gordon & Silver, Ltd.*

10 # # #

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